

A regular meeting of the Michigan State Employees' Retirement System Board was held at the State Secondary Complex, General Office Building, First Floor, Conference Room A, Lansing, Michigan, on January 19, 2012. The following members, staff and observers participated:

Members Present: Douglas Drake, Retiree Member
 George Elworth, representing the Attorney General
 Matthew Fedorchuk, Employee Member
 John Gnodtke, representing State Personnel Director
 Randall Gregg, representing Commissioner of the Office of Financial and Insurance Regulation
 Douglas Johnson, Retiree Member
 Craig Murray, representing the Deputy Auditor General

Staff Present: Laurie Hill, Acting Executive Secretary
 Chanda Donnan, Recording Secretary

Others Present: Patrick Fitzgerald of the Office of Attorney General; Debbie Grescoble from Office of Retirement Services; June Morse and Mary Pollock from State Employees Retirement Association; and Todd Tennis of Coalition for Secure Retirement

Call to Order

Chair Douglas Drake called the meeting to order at 1:32 p.m.

Excusing of Absent Members

Craig Murray moved, Douglas Johnson supported, to excuse the absence of Robert Brackenbury. The motion carried unanimously.

Approval of Agenda

Craig Murray moved, Douglas Johnson supported, to approve the agenda as presented. The motion carried unanimously.

Election of Officers

Acting Executive Secretary Laurie Hill asked the Nominating Committee for recommendations for the Office of Chair. On behalf of the Committee, George Elworth nominated Douglas Drake for the Office of Chair. Ms. Hill asked if there were any further nominations from the floor. Being no further nominations, Ms. Hill closed the nominations and a roll call vote was taken unanimously approving Douglas Drake for the Office of Chair.

Chair Douglas Drake asked the Nominating Committee for recommendations for the Office of Vice Chair. On behalf of the Committee, Douglas Johnson nominated Craig Murray for the Office of Vice Chair. Mr. Drake asked if there were further nominations from the floor. Being no further nominations, Mr. Drake closed the nominations and a voice vote was taken unanimously approving Craig Murray for the Office of Vice Chair.

Approval of Minutes

John Gnodtke moved, George Elworth supported, to approve the regular session meeting minutes of December 1, 2011, as corrected. The motion carried unanimously.

Disability Retirement Applications

Non-Duty Disability Retirement Applications

George Elworth moved, Randall Gregg supported, to approve non-duty disability applications 1-13 as presented in the Supplemental Information to the Agenda, 8A. The motion carried unanimously.

Duty Disability Retirement Applications

Douglas Johnson moved, Matthew Fedorchuk supported, to approve duty disability applications 1-1 as presented in the Supplemental Information to the Agenda, 8B. The motion carried unanimously.

Application for Good Cause

Lee-18324169

John Gnodtke moved, Craig Murray supported, to grant the applicant's request to extend the time limit for filing a disability retirement application, since the applicant presented sufficient evidence of extenuating circumstances, and to have the State Employees' Retirement System consider the application on the merits. Following discussion Mr. Gnodtke withdrew his motion.

John Gnodtke moved, Craig Murray supported, to table the agenda item. The motion carried unanimously.

Administrative Hearings

Proposal for Decision – Docket 2011-24473 SERS

The Board considered the case materials. Douglas Johnson moved, John Gnodtke supported, that the Board adopt as its own the recommendations of the Presiding Officer in the September 22, 2011 Proposal for Decision, including the proposed Findings of Fact and Conclusions of Law, as modified by Respondent's Exceptions, and deny Petitioner's application for non-duty disability

retirement benefits under MCL 38.67a, using the form of decision and order offered by Respondent. The motion carried unanimously.

Proposal for Decision – Docket 2011-35351 SERS

The Board considered the case materials. Craig Murray moved, Douglas Johnson supported, that the Board adopt as its own the recommendations of the Presiding Officer in the November 1, 2011 Proposal for Decision, including the proposed Findings of Fact and Conclusions of Law with the exception of striking the second sentence of the second paragraph of the PFD that reads “Petitioner was approved for non-duty disability retirement benefits under Section 24 of the Act (MCL 38.24),” and grant Petitioner’s application for non-duty disability under MCL 38.24, but deny Petitioner’s application for a duty disability retirement allowance under MCL 38.21. The motion carried unanimously.

Proposal for Decision – Docket 2011-28434 SERS

The Board considered the case materials. Craig Murray moved, Douglas Johnson supported, that the Board adopt as its own the recommendations of the Presiding Officer in the October 17, 2011 Proposal for Decision, including the proposed Findings of Fact and Conclusions of Law, and deny Petitioner’s application for non-duty disability retirement benefits under MCL 38.24. The motion carried unanimously.

Unfinished Business

Proposal for Decision – Docket 2009-28986 SERS

The Board considered the case materials. Douglas Johnson moved, John Gnodtke supported, that the Board grant Petitioner’s request for a duty disability retirement allowance under Section 21 of the State Employees’ Retirement Act. The motion carried unanimously.

Proposal for Decision – Docket 2010-44866 SERS

The Board considered the case materials. Craig Murray moved, John Gnodtke supported, that the Board grant Petitioner’s request for non-duty disability retirement benefits under Section 24 of the State Employees’ Retirement Act. The motion carried unanimously.

New Business

Circuit Court Remand – Chippewa County Circuit No. 11-11445-AA. Docket 2010-29527 SERS

John Gnodtke stated for the record that he would recuse himself from discussion of this matter and abstain from voting.

The Board considered the case materials. Craig Murray moved, Douglas Johnson supported, that the matter be remanded to the medical advisors for the issuance of supplemental

reports addressing whether, irrespective of her decision to resign her employment, Petitioner is mentally and physically capable of performing the work of a Corrections Officer. Upon completion of these supplemental reports, a Presiding Officer shall issue a Proposal for Decision as to whether the Board should grant Petitioner's request for either a duty disability retirement allowance under MCL 38.21 or a non-duty disability retirement allowance under MCL 38.24. The motion carried.

Discussion with legal counsel regarding Supreme Court's Decision in Nason v SERS

The Board discussed the memo dated January 13, 2012 presented by counsel and how the Nason decision affects the Board's consideration of an applicant's eligibility for disability retirement benefits under sections 21, 24, and 67a of the State Employees' Retirement Act. Following discussion it was decided that an item be placed on the next meeting agenda regarding the rescission of Board Rules.

Special Report

Laurie Hill from the Office of Retirement Services provided an update on the SERS Retirement Reform to the Board members and answered questions.

Legislative Report

A report was provided for the Board's information.

Executive Secretary Comments

Ms. Hill presented a new item of business received today by the attorney general's office regarding an order to show cause by the Macomb County Circuit Court to act on the reverse order for L. Ringo (Docket No. 2010-15852) with a deadline of January 19, 2012, for response. The Board reviewed the materials presented. Doug Johnson moved, John Gnodtke supported, that the Board grant Petitioner's application for a non-duty disability retirement allowance on the basis that she is totally and permanently incapacitated for further performance of duty as that phrase has been interpreted by the Court of Appeals in *Nason v. State Employees' Retirement System*, and otherwise meets the requirements under MCL 38.24. The motion carried unanimously.

Board Comments

None were received.

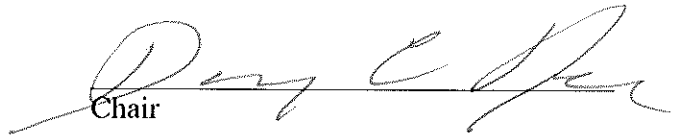
Public Comments

Comments were received by Mary Pollock.

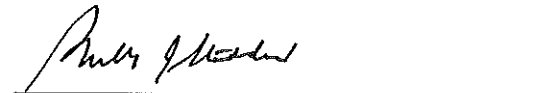
Adjournment

John Gnodtke moved, George Elworth supported, that the meeting be adjourned. The motion carried unanimously. The Chair adjourned the meeting at 3:44 p.m.

OFFICIAL MINUTES



Chair



Executive Secretary

